

AMENDED IN SENATE JUNE 16, 2008

AMENDED IN SENATE JUNE 5, 2008

AMENDED IN ASSEMBLY MARCH 24, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 2518

Introduced by Assembly Member Torrico

February 21, 2008

An act to add and repeal Article 15 (commencing with Section 18861) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2518, as amended, Torrico. Taxpayer contributions: California Cancer Research Fund.

Existing law, relating to the administration of personal income taxes, authorizes individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds or accounts.

This bill would allow taxpayers to designate on their tax returns, that a specified amount in excess of their tax liability be transferred to the California Cancer Research Fund, which would be created by this bill. However, the bill would provide that a voluntary contribution designation for this fund may not be added on the tax return until another voluntary contribution designation is removed from the return.

This bill would provide that all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, be allocated to the Franchise Tax Board and the Controller for reimbursement of costs, as provided, and the State Department of Public Health for distribution of grants to *California* cancer research centers

or registries for the purposes of conducting cancer research, expanding education on cancer, and providing prevention and awareness activities, as provided.

This bill would provide that these voluntary contribution provisions are repealed on either January of the fifth taxable year following the taxable year the fund first appears on the personal income tax return or on January 1 of an earlier calendar year, if the Franchise Tax Board estimates that the annual contribution amount will be less than \$250,000, or an adjusted amount, as specified, for subsequent taxable years.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 15 (commencing with Section 18861) is
2 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and
3 Taxation Code, to read:

4
5 Article 15. California Cancer Research Fund

6
7 18861. (a) Any individual may designate on the tax return that
8 a contribution in excess of the tax liability, if any, be made to the
9 California Cancer Research Fund, pursuant to Section 18862.

10 (b) The contributions shall be in full dollar amounts and may
11 be made individually by each signatory on a joint return.

12 (c) A designation under subdivision (a) shall be made for any
13 taxable year on the individual return for that taxable year, and once
14 made shall be irrevocable. In the event that payments and credits
15 reported on the return, together with any other credits associated
16 with the individual's account, do not exceed the individual's
17 liability, the return shall be treated as though no designation has
18 been made.

19 (d) If an individual designates a contribution to more than one
20 account or fund listed on the tax return, and the amount available
21 is insufficient to satisfy the total amount designated, the
22 contribution shall be allocated among the designees on a pro rata
23 basis.

24 (e) The Franchise Tax Board shall revise the forms of the return
25 to include a space labeled the "California Cancer Research Fund"
26 to allow for the designation permitted under subdivision (a). The

forms shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used to conduct research relating to the causes, detection, and prevention of cancer, to expand community-based education on cancer, and to provide prevention and awareness activities for communities that are disproportionately at risk or afflicted by cancer.

(f) Notwithstanding any other provision of law, a voluntary contribution designation for the California Cancer Research Fund may not be added to the tax return until another voluntary contribution is removed.

(g) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18862. There is hereby created in the State Treasury the California Cancer Research Fund to receive contributions made pursuant to Section 18861. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money which taxpayers have designated pursuant to Section 18861 to be transferred to the California Cancer Research Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Cancer Research Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18861 for payment into that fund.

18863. All money transferred to the California Cancer Research Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) (1) To the State Department of Public Health for distribution of grants to *California* cancer research centers *or registries* that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code and whose mission is to prevent and detect cancer, while also improving the quality of life for those living with cancer.

(2) Grants shall be made available for the purposes of conducting research on the causes and treatments for cancer, expanding community-based education on cancer, and providing culturally

1 sensitive and appropriate prevention and awareness activities
2 targeted toward communities that are disproportionately at risk or
3 afflicted by cancer.

4 18864. (a) Except as otherwise provided in subdivision (b),
5 this article shall remain in effect only until January 1 of the fifth
6 taxable year following the first appearance of the California Cancer
7 Research Fund on the personal income tax return, and as of that
8 date is repealed, unless a later enacted statute, that is enacted before
9 the applicable date, deletes or extends that date.

10 (b) (1) By September 1 of each subsequent calendar year that
11 the California Cancer Research Fund appears on the tax return,
12 the Franchise Tax Board shall do all of the following:

13 (A) Determine the minimum contribution amount required to
14 be received during the next calendar year for the fund to appear
15 on the tax return for the taxable year that includes that next calendar
16 year.

17 (B) Provide written notification to the State Department of
18 Public Health of the amount determined in subparagraph (A).

19 (C) Determine whether the amount of contributions estimated
20 to be received during the calendar year will equal or exceed the
21 minimum contribution amount determined by the Franchise Tax
22 Board for the calendar year pursuant to subparagraph (A). The
23 Franchise Tax Board shall estimate the amount of contributions
24 to be received by using the actual amounts received and an estimate
25 of the contributions that will be received by the end of that calendar
26 year.

27 (2) If the Franchise Tax Board determines that the amount of
28 the contributions estimated to be received during a calendar year
29 will not at least equal the minimum contribution amount for the
30 calendar year, this article is repealed with respect to taxable years
31 beginning on or after January 1 of that calendar year.

32 (3) For purposes of this section, the minimum contribution
33 amount for a calendar year means two hundred fifty thousand
34 dollars (\$250,000) for the second calendar year after the first
35 appearance of the California Cancer Research Fund on the personal
36 income tax return or the adjusted minimum contribution amount
37 adjusted pursuant to subdivision (c).

38 (c) For each calendar year, beginning with the third calendar
39 year after the first appearance of the California Cancer Research
40 Fund on the personal income tax return, the Franchise Tax Board

1 shall adjust, on or before September 1 of that calendar year, the
2 minimum contribution amount specified in subdivision (b) as
3 follows:

4 (1) The minimum estimated contribution amount for the calendar
5 year shall be an amount equal to the product of the minimum
6 estimated contribution amount for the calendar year multiplied by
7 the inflation factor adjustment as specified in subparagraph (A) of
8 paragraph (2) of subdivision (h) of Section 17041, rounded off to
9 the nearest dollar.

10 (2) The inflation factor adjustment used for the calendar year
11 shall be based on the figures for the percentage change in the
12 California Consumer Price Index received on or before August 1
13 of the calendar year pursuant to paragraph (1) of subdivision (h)
14 of Section 17041.

15 (d) Notwithstanding the repeal of this article, any contribution
16 amounts designated pursuant to this article prior to its repeal shall
17 continue to be transferred and disbursed in accordance with this
18 article as in effect immediately prior to that repeal.